GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

MA & UD (Urban Infra) Dept. - Approval of the Fee Structure for services to be rendered by the Andhra Pradesh Urban Infrastructure Asset Management Limited (APUIAML) – Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (UI) DEPARTMENT

G.O. Rt. No. 357 **Dated: 15.05.2017**

Read the following:-

1. G.O.Ms.No.132, Municipal Administration & Urban D (UBS) Dept Dt: 24.05.2016.
2. G.O.Ms.No.133, Municipal Administration & Urban D (UBS) Dept Dt: 24.05.2016.
3. From the Chief Executive Officer, A.P. Urban Infrastructure Asset Management Ltd., letter No. APUIAML/GOAP/07/2016-17, Dt:29.11.2016.

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O R D E R:

The Government, in line with the GO first read above have established a Joint Venture Company viz., **Andhra Pradesh Urban Infrastructure Asset Management Limited (APUIAML)** under the Companies Act, 2013 in collaboration with Infrastructure Leasing & Financial Services Ltd. (IL&FS). The objective of the Company is to attract investment for financing and management of urban infrastructure projects in the State. The Chief Secretary to Government is the Chairman of APUIAML and the Principal Secretary to Government, Municipal Administration & Urban Development (MA&UD) Department and the Principal Secretary to Government, Finance Department are the nominees of Government of Andhra Pradesh on the Board of the Company.

2. In the G.O. second read above, Government have approved formation of an Urban Development Fund viz. **Andhra Pradesh Urban Development Fund** (APUDF) with the objective to provide financing assistance to the Urban Local Bodies (ULBs) in developing urban infrastructure projects on commercial or Public Private Partnership (PPP) principles. The Chief Secretary to Government is the Chairman of the Governing Body of the APUDF and the Principal Secretary to Government, MA&UD Department and the Principal Secretary to Government, Finance Department are the Members of the Governing Body. Other contributors to the APUDF may also have representation on the Governing body based on threshold contributions decided by the Board of Directors of the Asset Management Company (AMC).

3. Andhra Pradesh Urban Infrastructure Asset Management Ltd. (APUIAML) is an Asset Management Company to APUDF. On the one hand, APUIAML is assisting the Government in setting up, institutionalizing and management of the APUDF by mobilizing resources from different sources like banks and financial institutions, including multilateral and bilateral agencies etc., leveraging on Government grant and other financial assistances to invest in urban infrastructure projects. On the other hand, APUIAML is mandated to assist ULBs and other authorities / agencies in preparing and structuring urban infrastructure projects on commercially viable models.

(P.T.O)

4. ULBs and other entities including project SPVs intending to access APUDF assistance shall engage APUIAML for End to End Project Delivery Services including inter alia services of project planning, project development, feasibility assessment, detailed project report preparation, financial structuring, fund raising, financial closure, tender preparation, and project implementation management to ensure structured and timely project delivery and commissioning.

5. In the letter third read above, the Chief Executive Officer, APUIAML has stated that the following fee structure of APUIAML has been reviewed by a Committee comprising Special Chief Secretary to Government, Finance Department; Principal Secretary to Government, MA&UD Department; Vice-Chairman, Andhra Pradesh State Planning Board and an Independent Director of APUIAML, and after detailed deliberations worked out a Fee structure for APUIAML's end to end services that would be payable by the entity seeking the services.

6. Government, after considering the recommendations of the Committee for finalisation of fee structure of APUIAML, and after careful examination of the matter, hereby approve the Fee chargeable by Andhra Pradesh Urban Infrastructure Asset Management Ltd. (APUIAML) for its key services as follows:

(i) Fee for End to End Project Delivery Services

Fee chargeable for End-to-End Services offered by APUIAML and payable by the ULB / SPV / any other entity seeking the services either as part of APUDF assistance or otherwise shall be as follows:

Sl	**Landed Project Cost (Project Cost)**	**Fee Rate for End-to-End Services (Program Management Services) (excluding taxes)**
1.	Upto Rs.500.00 crore	5.5% of Landed Project Cost
2.	Above Rs.500.00 crore	5.5% of Rs. 500 crore + 4.5% of incremental Landed Project Cost over and above Rs. 500 crore

Government also hereby order that till the landed project cost is finalized/ approved, the Fees shall be paid on the basis of the preliminary estimated project cost. Further, the Fee for End to End Services shall be reviewed next year i.e. during FY 2018 for any upward revision once disbursements from APUDF are made

(ii) Institutional Development & Capacity Building Activity

The Fee for Institutional Development and Capacity Building services that any entity may want to engage APUIAML shall be decided in consultation with the Municipal Administration & Urban Development Department based on a cost + management fee basis (excluding taxes).

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7. The Chief Executive Officer, A.P. Urban Infrastructure Asset Management Ltd., Vijayawada shall take further necessary action in the matter.

8. This order is issued with the concurrence of Finance (FMU.I&I, EF&MA) Department vide their U.O.No.44027/85/2017, dt.27.3.2017.

(**BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH**)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Executive Officer,
A.P. Urban Infrastructure Asset Management Ltd.,
AMRC Buildings, Kausalya,
Gummadi Gopala Rao street, Labbipet,
Vijayawada.
The Director of Municipal Administration, A.P., Gorantla, Guntur
All the Commissioners of Municipal Corporations in the State of A.P. (through the Director of Municipal Administration, A.P., Gorantla, Guntur)
All the Commissioners of Municipalities in the State of A.P. (through the Director of Municipal Administration, A.P., Gorantla, Guntur)
All the Urban Development Authorities in the State.
Copy to:-
The Commissioner, A.P. Capital Region Development Authority, Vijayawada.
The Collector & District Magistrate, Krishna @ Machilipatnam
The Collector & District Magistrate, Guntur
The Vice-Chairman, A.P. Planning Board.
The P.S. to M(MA)
The P.S. to Spl. C.S. to C.M.
The P.S. to Chief Secretary to Government
The P.S. to Spl. C.S., Finance Department
The P.S. to Principal Secretary to Government, MA&UD.
The MA&UD (H) Department.
The MA & UD (UBS) Department
The MA & UD (Budget) Department
The MA & UD (OP. Claims) Department
Sc/Sf.

// FORWARDED :: BY ORDER //

SECTION OFFICER